
THE EFC FORMULA, 2002-03

What is the EFC?

The expected family contribution (EFC) is the amount a family can be expected to contribute toward a student's college costs. By comparing the EFC to the student's cost of attendance, the financial aid administrator at the school can determine the student's financial need for federal student aid from the U.S. Department of Education (the Department) and from other sources. The EFC formula is used to determine need for assistance from the following types of student financial assistance: Federal Pell Grants, subsidized Federal Direct Stafford/Ford Loans (made under the Direct Loan Program), subsidized Federal Stafford Loans (made under the Federal Family Education Loan [FFEL] Program), and assistance from the "campus-based" programs—Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Perkins Loans, and Federal Work-Study (FWS). The methodology for determining the EFC is found in Part F of Title IV of the Higher Education Act of 1965, as amended (HEA). Updated tables used in the computation of the EFC for the 2002-03 award year were published in the Federal Register on May 31, 2001.

Note that the financial aid administrator puts together a financial aid package that comes as close as possible to meeting a student's need. Because funds are limited, however, the amount awarded to the student may fall short of the amount of aid for which the student is eligible.

What is the source of data used in EFC calculations?

All data used to calculate a student's EFC come from the information the student provides on the Department's *Free Application for Federal Student Aid* (FAFSA). A student may submit a FAFSA (1) through the Internet by using *FAFSA on the Web*, (2) by filing an application electronically at those schools that participate in the Department's Electronic Data Exchange (EDE), or (3) by mailing a paper FAFSA. A student who applied for federal student aid in the previous award year might be eligible to apply by filing a Renewal FAFSA, either by using the paper Renewal application mailed to his or her home, or through the Internet.

Applying for federal aid is free. To be considered for nonfederal aid, such as institutional aid, however, a student may have to fill out additional forms and pay a processing fee.

Who processes the application, and how is a student notified of his or her EFC?

The Department's central processing system processes the student's FAFSA and computes the EFC, based on the information the student reported. Each student will receive a *Student Aid Report* (SAR) that reports the information from the student's application and, if the information provided was complete, the student's EFC. The student is instructed to check carefully the data on the SAR to ensure they are correct.

If corrections are necessary, students have several options for making them:

- Students can ask their schools to make electronic corrections (if the school participates in EDE).
- Students with PINs can make corrections using *FAFSA Corrections on the Web*.

- Students who receive SARs in response to their applications (paper filers) can make corrections on the SARs and return them to the address provided.
- Students who receive *SAR Information Acknowledgements* in response to their applications (*FAFSA on the Web* filers and students whose schools entered application data on their behalf), and who prefer to make paper corrections (versus working with the school or using the Web) may request a copy of the SAR from the Federal Student Aid Information Center (FSAIC) at 1-800-4FED-AID (1-800-433-3243).

Which EFC worksheet should be used?

There are three regular (full-data) formulas—(A) for the dependent student, (B) for the independent student **without** dependent(s) other than a spouse, and (C) for the independent student **with** dependent(s) other than a spouse. Also, there are three simplified versions of each formula with fewer data elements.

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NOTE: Do NOT complete the shaded areas in the simplified worksheets; asset information is not required in the simplified formulas.

What is the definition of an independent student?

Because the EFC formula for a dependent student uses parental data, while the two formulas for independent students do not, the first step in calculating a student's EFC must be to determine his or her dependency status. For the 2002-03 award year, a student is automatically determined to be an independent applicant for federal student aid if he or she meets one of the following criteria:

- was born before January 1, 1979;
- is a veteran of the U.S. Armed Forces (see the box on the next page);
- is working on a master's or doctorate program during the school year 2002-2003;
- is married;
- is an orphan or a ward of the court, or **was** a ward of the court until age 18; or
- has legal dependents other than a spouse (see the box on the next page).

In unusual circumstances, the financial aid administrator at the student's school may make a special-case determination of independence even if the student initially filed as a dependent student.

TERMS USED IN THE DEFINITION OF AN INDEPENDENT STUDENT

VETERAN. A student who (1) has engaged in active service in the U.S. Armed Forces (Army, Navy, Air Force, Marines, or Coast Guard), or has been a member of the National Guard or Reserves who was called to active duty for purposes other than training, or was a cadet or midshipman at one of the service academies and (2) was released under a condition other than dishonorable. A veteran is also a student who does not meet this definition now but will by June 30, 2003.

LEGAL DEPENDENT. Any child of the student who receives more than half support from the student (the child does not have to live with the student), including a biological or adopted child, or a child for whom the student is legal guardian. Also, any person, other than a spouse, who lives with the student and receives more than half of his or her support from the student and will continue to receive more than half support from the student through June 30, 2003.

Which students qualify for the simplified EFC formulas?

The criteria listed below determine which students may have their EFCs calculated by a simplified formula. Assets are not considered in the simplified EFC formulas.

For the 2002-03 award year, a **dependent** student qualifies for the simplified EFC formula if **all** of the following are true:

- (1) the student's **parents** filed or are eligible to file a 2001 IRS Form 1040A or 1040EZ (they are not required to file a 2001 Form 1040)¹, or the parents are not required to file any income tax return; **and**
- (2) the **student** filed or is eligible to file a 2001 IRS Form 1040A or 1040EZ (he or she is not required to file a 2001 Form 1040)², or he or she is not required to file any income tax return; **and**
- (3) the 2001 income of the student's **parents** from the two sources below is \$49,999 or less:
 - for tax filers, the parents' adjusted gross income from 2001 Form 1040A or 1040EZ³ is \$49,999 or less, and
 - for non-tax filers, the income shown on the 2001 W-2 forms of both parents (plus any other earnings from work not included on the W-2s) is \$49,999 or less.

¹One of the following 2001 income tax forms may be filed as an alternative to filing a Form 1040A or 1040EZ: the income tax return required by the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

²See note 1 above.

³See note 1 above.

For the 2002-03 award year, an **independent** student qualifies for the simplified EFC formula if **both** of the following are true:

- (1) the student (and the student's spouse, if any) filed or is eligible to file a 2001 IRS Form 1040A or 1040EZ (he or she is not required to file a 2001 Form 1040)⁴, or he or she is not required to file any income tax return; **and**
- (2) the student's (and spouse's) 2001 income from the two sources below is \$49,999 or less:
 - for tax filers, the student's (and spouse's) adjusted gross income from 2001 Form 1040A or 1040EZ⁵ is \$49,999 or less, **or**
 - for non-tax filers, the income shown on the student's (and spouse's) 2001 W-2 forms (plus any other earnings from work not included on the W-2s) is \$49,999 or less.

Which students automatically qualify for a zero EFC?

Certain students are automatically eligible for a zero EFC. For the 2002-03 award year, a **dependent student** automatically qualifies for a zero EFC if **all** of the following are true:

- (1) the student's **parents** filed or are eligible to file a 2001 IRS Form 1040A or 1040EZ (they are not required to file a 2001 Form 1040)⁶, or the parents are not required to file any income tax return; **and**
- (2) the **student** filed or is eligible to file a 2001 IRS Form 1040A or 1040EZ (he or she is not required to file a 2001 Form 1040)⁷, or he or she is not required to file any income tax return; **and**
- (3) the 2001 income of the student's **parents** from the two sources below is \$13,000 or less⁸:
 - for tax filers, the parents' adjusted gross income from 2001 Form 1040A or 1040EZ⁹ is \$13,000 or less, and
 - for non-tax filers, the income shown on the 2001 W-2 forms of both parents (plus any other earnings from work not included on the W-2s) is \$13,000 or less.

⁴ See note 1 on page 3.

⁵ See note 1 on page 3.

⁶ See note 1 on page 3.

⁷ See note 1 on page 3.

⁸ This amount is based on the maximum amount of income, rounded to the nearest thousand, that may be earned in order to claim the Internal Revenue Service's "maximum federal earned income credit." The maximum amount of 2001 income that may be earned in order to claim the credit, when rounded to the nearest thousand, equals \$13,000.

⁹ See note 1 on page 3.

An **independent student with dependents other than a spouse** automatically qualifies for a zero EFC if **both** of the following are true:

- (1) the student (and the student's spouse, if any) filed or is eligible to file a 2001 IRS Form 1040A or 1040EZ (he or she is not required to file a 2001 Form 1040)¹⁰, or he or she is not required to file any income tax return; **and**
- (2) the student's (and spouse's) 2001 income from the two sources below is \$13,000 or less¹¹:
 - for tax filers, the student's (and spouse's) adjusted gross income from 2001 Form 1040A or 1040EZ¹² is \$13,000 or less, **or**
 - for non-tax filers, the income shown on the student's (and spouse's) 2001 W-2 forms (plus any other earnings from work not included on the W-2s) is \$13,000 or less.

Note that the automatic eligibility criteria for a zero EFC are not applicable to a single or married **independent student without dependents other than a spouse**.

Why might a calculation of an EFC using these worksheets differ from the EFC reported on a student's SAR?

When it appears that an applicant has reported inconsistent data, the central processing system may make certain assumptions to resolve the inconsistency. These assumed values, which are reported on the student's SAR, are used to calculate the student's EFC. Therefore, in some cases, the EFC produced by these worksheets may differ from the EFC produced by the central processing system if the data printed on the SAR are not used.

In addition, to help reconcile worksheet calculations with those of the Central Processing System (CPS), all calculations should be carried to three decimal places and then rounded to the nearest whole numbers—upward from .500, downward from .499. Rounding should be performed so that the intermediate value that is the result of each step will not have any decimal digits.

¹⁰See note 1 on page 3.

¹¹See note 8 on page 4.

¹²See note 1 on page 3.

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WORKSHEETS AND TABLES

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EFC Formula Worksheet B (Independent Student Without Dependent(s) Other Than A Spouse.....	pages 21-22
Simplified Worksheet B.....	pages 23-24
Tables B1 through B4 (use with Worksheet B).....	pages 25-27

EFC Formula Worksheet C (Independent Student With Dependent(s) Other Than A Spouse.....	pages 29-30
Simplified Worksheet C.....	pages 31-32
Tables C1 through C6 (use with Worksheet C).....	pages 33-35

NOTE: Do NOT complete the shaded areas in the simplified worksheets; asset information is not required in the simplified formulas.

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PARENTS' INCOME IN 2001	
1. Parents' Adjusted Gross Income (FAFSA/SAR #73) (If negative, enter zero.)	
2. a. Father's income earned from work (FAFSA/SAR #76)	
2. b. Mother's income earned from work (FAFSA/SAR #77) +	
Total parents' income earned from work = 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #78)	
• Total from FAFSA Worksheet B (FAFSA/SAR #79) +	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #80) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2001 U.S. income tax paid (FAFSA/SAR #74) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table A1. If negative, enter zero.) +	
10. Father's Social Security tax allow. (Table A2) +	
11. Mother's Social Security tax allow. (Table A2) +	
12. Income protection allowance (Table A3) +	
13. Employment expense allowance:	
• Two working parents: 35% of the lesser of the earned incomes, or \$3,000, whichever is less	
• One-parent families: 35% of earned income, or \$3,000, whichever is less	
• Two-parent families, one working parent: enter zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

*STOP HERE if **both** of the following are true: line 3 is \$13,000 or less, **plus** the student **and** parents are eligible to file a 2001 IRS Form 1040A or 1040EZ (they are not required to file a 2001 Form 1040), or they are not required to file any income tax return. If both circumstances are true, the Expected Family Contribution is automatically zero.

PARENTS' CONTRIBUTION FROM ASSETS	
16. Net worth of investments** (FAFSA/SAR #81) If negative, enter zero.	
17. Net worth of business and/or investment farm (FAFSA/SAR #82) If negative, enter zero.	
18. Adjusted net worth of business/farm (Calculate using Table A4.) +	
19. Cash, savings, & checking (FAFSA/SAR #83) +	
20. Net worth (sum of lines 16, 18, and 19) =	
21. Education savings and asset protection allowance (Table A5) -	
22. Discretionary net worth (line 20 minus line 21) =	
23. Asset conversion rate X	.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero. =	

PARENTS' CONTRIBUTION	
Available Income (AI) (from line 15)	
Contribution from assets (from line 24) +	
25. Adjusted Available Income (AAI) May be a negative number. =	
26. Total parents' contribution from AAI (Calculate using Table A6; if negative, enter zero.)	
27. Number in college in 2002-03 (Exclude parents) (FAFSA/SAR #65) ÷	
28. PARENTS' CONTRIBUTION (standard contribution for 9-month enrollment)*** =	

**Do not include the family's home.

***To calculate the parents' contribution for other than 9-month enrollment, see page 11.

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STUDENT'S INCOME IN 2001

29. Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
30. Income earned from work (FAFSA/SAR #42)	
31. Taxable Income (If tax filer, enter the amount from line 29. If non-tax filer, enter the amount from line 30.)	
32. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #44)	
• Total from FAFSA Worksheet B (FAFSA/SAR #45)	
Total untaxed income and benefits = 32.	
33. Taxable and untaxed income (sum of line 31 and line 32)	
34. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
35. TOTAL INCOME (line 33 minus line 34) May be a negative number. =	

ALLOWANCES AGAINST STUDENT INCOME

36. 2001 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
37. State and other tax allowance (Table A7. If negative, enter zero.)	
38. Social Security tax allowance (Table A2)	
39. Income protection allowance	2,330
40. Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	
41. TOTAL ALLOWANCES	

STUDENT'S CONTRIBUTION FROM INCOME

Total income (from line 35)	
Total allowances (from line 41)	
42. Available income (AI)	
43. Assessment of AI	.50
44. STUDENT'S CONTRIBUTION FROM AI If negative, enter zero.	

STUDENT'S CONTRIBUTION FROM ASSETS

45. Net worth of investments* (FAFSA/SAR #47) If negative, enter zero.	
46. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	
47. Cash, savings, & checking (FAFSA/SAR #49)	
48. Net worth (sum of lines 45 through 47)	
49. Assessment rate	.35
50. STUDENT'S CONTRIBUTION FROM ASSETS	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 28)	
STUDENT'S CONTRIBUTION FROM AI (from line 44)	
STUDENT'S CONTRIBUTION FROM ASSETS (from line 50)	
51. EXPECTED FAMILY CONTRIBUTION (standard contribution for 9-month enrollment)** If negative, enter zero.	

*Do not include the student's home.

** To calculate the EFC for other than 9-month enrollment,
see the next page.

NOTE: Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford/Ford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

REGULAR
WORKSHEET
Page 3

A

Calculation of Parents' Contribution for a Student Enrolled LESS Than 9 Months		
A1. Parents' contribution (standard contribution for 9-month enrollment, from line 28)		
A2. Divide by 9	÷	9
A3. Parents' contribution per month	=	
A4. Multiply by number of months of enrollment	X	
A5. Parents' contribution for LESS than 9-month enrollment	=	

Calculation of Parents' Contribution for a Student Enrolled MORE Than 9 Months		
B1. Parents' Adjusted Available Income (AAI) (from line 25—may be a negative number)		
B2. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,660
B3. Alternate parents' AAI for more than 9-month enrollment (line B1 + line B2)	=	
B4. Total parents' contribution from alternate AAI (calculate using Table A6)		
B5. Number in college (FAFSA/SAR #65)	÷	
B6. Alternate parents' contribution for student (line B4 divided by line B5)	=	
B7. Standard parents' contribution for the student for 9-month enrollment (from line 28)	-	
B8. Difference (line B6 minus line B7)	=	
B9. Divide line B8 by 12 months	÷	12
B10. Parents' contribution per month	=	
B11. Number of months student will be enrolled that exceed 9	X	
B12. Adjustment to parents' contribution for months that exceed 9 (multiply line B10 by line B11)	=	
B13. Standard parents' contribution for 9-month enrollment (from line 28)	+	
B14. Parents' contribution for MORE than 9-month enrollment	=	

Calculation of Student's Contribution from Available Income (AI) for a Student Enrolled LESS Than 9 Months*		
C1. Student's contribution from AI (standard contribution for 9-month enrollment, from line 44)		
C2. Divide by 9	÷	9
C3. Student's contribution from AI per month	=	
C4. Multiply by number of months of enrollment	X	
C5. Student's contribution from AI for LESS than 9-month enrollment	=	

*For students enrolled more than 9 months, the standard contribution from AI is used (the amount from line 44).

Use next page to calculate total EFC for enrollment periods other than 9 months

Calculation of Total Expected Family Contribution for Periods of Enrollment Other Than 9 Months

Parents' Contribution—use ONE appropriate amount from previous page: <ul style="list-style-type: none"> • Enter amount from line A5 for enrollment periods less than 9 months OR • Enter amount from line B14 for enrollment periods greater than 9 months 	
Student's Contribution from Available Income—use ONE appropriate amount from previous page: <ul style="list-style-type: none"> • Enter amount from line C5 for enrollment periods less than 9 months OR + • Enter amount from line 44 for enrollment periods greater than 9 months 	
Student's Contribution from Assets <ul style="list-style-type: none"> • Enter amount from line 50 + 	
Expected Family Contribution for periods of enrollment other than 9 months =	

PARENTS' INCOME IN 2001	
1. Parents' Adjusted Gross Income (FAFSA/SAR #73) (If negative, enter zero.)	
2. a. Father's income earned from work (FAFSA/SAR #76)	
2. b. Mother's income earned from work (FAFSA/SAR #77) +	
Total parents' income earned from work = 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #78)	
• Total from FAFSA Worksheet B (FAFSA/SAR #79) +	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #80) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2001 U.S. income tax paid (FAFSA/SAR #74) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table A1. If negative, enter zero.) +	
10. Father's Social Security tax (Table A2) +	
11. Mother's Social Security tax (Table A2) +	
12. Income protection allowance (Table A3) +	
13. Employment expense allowance:	
• Two working parents: 35% of the lesser of the earned incomes, or \$3,000, whichever is less	
• One-parent families: 35% of earned income, or \$3,000, whichever is less	
• Two-parent families, one working parent: enter zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

*STOP HERE if **both** of the following are true: line 3 is \$13,000 or less, **plus** the student **and** parents are eligible to file a 2001 IRS Form 1040A or 1040EZ (they are not required to file a 2001 Form 1040), or they are not required to file any income tax return. If both circumstances are true, the Expected Family Contribution is automatically zero.

PARENTS' CONTRIBUTION FROM ASSETS	
16. Net worth of investments** (FAFSA/SAR #81) If negative, enter zero.	
17. Net worth of business and/or investment farm (FAFSA/SAR #82) If negative, enter zero.	
18. Adjusted net worth of business/farm (Calculate using Table A4.) +	
19. Cash, savings, & checking (FAFSA/SAR #83) +	
20. Net worth (sum of lines 16, 18, and 19) =	
21. Education savings and asset protection allowance (Table A5) -	
22. Discretionary net worth (line 20 minus line 21) =	
23. Asset conversion rate X	.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero. =	

PARENTS' CONTRIBUTION	
Available Income (AI) (from line 15)	
Contribution from assets (from line 24) +	
25. Adjusted Available Income (AAI) May be a negative number. =	
26. Total parents' contribution from AAI (Calculate using Table A6; if negative, enter zero.)	
27. Number in college in 2002-03 (Exclude parents) (FAFSA/SAR #65) ÷	
28. PARENTS' CONTRIBUTION (standard contribution for 9-month enrollment)*** =	

**Do not include the family's home.

***To calculate the parents' contribution for other than 9-month enrollment, see page 15.

NOTE: Do NOT complete the shaded areas; asset information is not required in the simplified formula.

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STUDENT'S INCOME IN 2001

29. Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
30. Income earned from work (FAFSA/SAR #42)	
31. Taxable Income (If tax filer, enter the amount from line 29. If non-tax filer, enter the amount from line 30.)	
32. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #44)	
• Total from FAFSA Worksheet B (FAFSA/SAR #45)	
Total untaxed income and benefits = 32.	
33. Taxable and untaxed income (sum of line 31 and line 32)	
34. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
35. TOTAL INCOME (line 33 minus line 34) May be a negative number. =	

ALLOWANCES AGAINST STUDENT INCOME

36. 2001 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
37. State and other tax allowance (Table A7. If negative, enter zero.)	+
38. Social Security tax allowance (Table A2)	+
39. Income protection allowance	+
40. Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	+
41. TOTAL ALLOWANCES	=

STUDENT'S CONTRIBUTION FROM INCOME

Total income (from line 35)	
Total allowances (from line 41)	-
42. Available income (AI)	=
43. Assessment of AI	X
44. STUDENT'S CONTRIBUTION FROM AI (If negative, enter zero.)	=

STUDENT'S CONTRIBUTION FROM ASSETS

45. Net worth of investments* (FAFSA/SAR #47) If negative, enter zero.	
46. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	+
47. Cash, savings, & checking (FAFSA/SAR #49)	+
48. Net worth (sum of lines 45 through 47)	=
49. Assessment rate	X
50. STUDENT'S CONTRIBUTION FROM ASSETS =	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 28)	
STUDENT'S CONTRIBUTION FROM AI (from line 44)	+
STUDENT'S CONTRIBUTION FROM ASSETS (from line 50)	+
51. EXPECTED FAMILY CONTRIBUTION standard contribution for 9-month enrollment** (If negative, enter zero.)	=

*Do not include the student's home.

** To calculate the EFC for other than 9-month enrollment,
see the next page.

**NOTE: Do NOT complete the shaded areas;
asset information is not required in the sim-
plified formula.**

NOTE: Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford/Ford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

SIMPLIFIED
WORKSHEET
Page 3

A

Calculation of Parents' Contribution for a Student Enrolled LESS Than 9 Months		
A1. Parents' contribution (standard contribution for 9-month enrollment, from line 28)		
A2. Divide by 9	÷	9
A3. Parents' contribution per month	=	
A4. Multiply by number of months of enrollment	X	
A5. Parents' contribution for LESS than 9-month enrollment	=	

Calculation of Parents' Contribution for a Student Enrolled MORE Than 9 Months		
B1. Parents' Adjusted Available Income (AAI) (from line 25—may be a negative number)		
B2. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,660
B3. Alternate parents' AAI for more than 9-month enrollment (line B1 + line B2)	=	
B4. Total parents' contribution from alternate AAI (calculate using Table A6)		
B5. Number in college (FAFSA/SAR #65)	÷	
B6. Alternate parents' contribution for student (line B4 divided by line B5)	=	
B7. Standard parents' contribution for the student for 9-month enrollment (from line 28)	-	
B8. Difference (line B6 minus line B7)	=	
B9. Divide line B8 by 12 months	÷	12
B10. Parents' contribution per month	=	
B11. Number of months student will be enrolled that exceed 9	X	
B12. Adjustment to parents' contribution for months that exceed 9 (multiply line B10 by line B11)	=	
B13. Standard parents' contribution for 9-month enrollment (from line 28)	+	
B14. Parents' contribution for MORE than 9-month enrollment	=	

Calculation of Student's Contribution from Available Income (AI) for a Student Enrolled LESS Than 9 Months*		
C1. Student's contribution from AI (standard contribution for 9-month enrollment, from line 44)		
C2. Divide by 9	÷	9
C3. Student's contribution from AI per month	=	
C4. Multiply by number of months of enrollment	X	
C5. Student's contribution from AI for LESS than 9-month enrollment	=	

*For students enrolled more than 9 months, the standard contribution from AI is used (the amount from line 44).

Use next page to calculate total EFC for enrollment periods other than 9 months

Parents' Contribution—use ONE appropriate amount from previous page: <ul style="list-style-type: none"> • Enter amount from line A5 for enrollment periods less than 9 months OR • Enter amount from line B14 for enrollment periods greater than 9 months 	
Student's Contribution from Available Income—use ONE appropriate amount from previous page: <ul style="list-style-type: none"> • Enter amount from line C5 for enrollment periods less than 9 months OR + • Enter amount from line 44 for enrollment periods greater than 9 months 	
Expected Family Contribution for periods of enrollment other than 9 months =	

Table A1: State and Other Tax Allowance
for Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	\$0-14,999	\$15,000 or more		\$0-14,999	\$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisiana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or Invalid State	4%	3%
			OTHER	4%	3%

Multiply parents' total income (from Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the parents' *state of legal residence* (FAFSA/SAR #66). If this item is blank or invalid, use the student's *state of legal residence* (FAFSA/SAR #24). If both items are blank or invalid, use the *state* in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work*	Social Security Tax
\$0 - \$80,400	7.65% of income
\$80,401 or greater	\$6,150.60 + 1.45% of amount over \$80,400

*Father's 2001 income earned from work is FAFSA/SAR #76.
 Mother's 2001 income earned from work is FAFSA/SAR #77.
 Student's 2001 income earned from work is FAFSA/SAR #42.
 Social Security tax will never be less than zero.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #64)	Number of college students in household (FAFSA/SAR #65)				
	1	2	3	4	5
2	\$13,210	\$10,950	_____	_____	_____
3	16,450	14,210	\$11,940	_____	_____
4	20,320	18,060	15,810	\$13,550	_____
5	23,980	21,720	19,470	17,210	\$14,960
6	28,050	25,790	23,540	21,280	19,030

NOTE: For each additional family member, add \$3,170.
 For each additional college student (except parents), subtract \$2,250.

Table A4: Business/Farm Net Worth Adjustment
 for EFC Formula Worksheet A (parents only)

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$95,000	40% of net worth of business/farm
\$95,001 to \$285,000	\$ 38,000 + 50% of excess over \$95,000
\$285,001 to \$470,000	\$133,000 + 60% of excess over \$285,000
\$470,001 or more	\$244,000 + 100% of excess over \$470,000

Table A5: Education Savings and Asset Protection Allowance
for EFC Formula Worksheet A (parents only)

<i>Age of older parent*</i>	Allowance if there are two parents	Allowance if there is only one parent	<i>Age of older parent*</i>	Allowance if there are two parents	Allowance if there is only one parent
25 or less..	0	0	45	38,600	18,600
26	2,300	1,100	46	39,600	18,900
27	4,600	2,200	47	40,600	19,400
28	6,900	3,300	48	41,900	19,900
29	9,100	4,500	49	42,900	20,300
30	11,400	5,600	50	44,000	20,800
31	13,700	6,700	51	45,100	21,200
32	16,000	7,800	52	46,500	21,700
33	18,300	8,900	53	47,600	22,400
34	20,600	10,000	54	49,100	22,900
35	22,900	11,100	55	50,300	23,400
36	25,200	12,200	56	51,800	24,000
37	27,400	13,400	57	53,300	24,700
38	29,700	14,500	58	54,900	25,300
39	32,000	15,600	59	56,600	26,000
40	34,300	16,700	60	58,300	26,600
41	35,200	17,000	61	60,000	27,400
42	36,100	17,400	62	62,000	28,100
43	36,700	17,800	63	63,800	28,900
44	37,700	18,200	64	66,000	29,700
			65 or more	68,200	30,700

*If age of older parent (FAFSA/SAR #69) is blank, use age 45 on the table.

Table A6: Parents' Contribution From AAI

If parents' AAI is—	The parents' contribution from AAI is—
-\$3,410 or less	-\$750
-\$3,409 to \$11,800	22% of AAI
\$11,801 to \$14,800	\$2,596 + 25% of AAI over \$11,800
\$14,801 to \$17,800	\$3,346 + 29% of AAI over \$14,800
\$17,801 to \$20,800	\$4,216 + 34% of AAI over \$17,800
\$20,801 to \$23,900	\$5,236 + 40% of AAI over \$20,800
\$23,901 or more	\$6,476 + 47% of AAI over \$23,900

**Table A7: State and Other Tax Allowance
for Worksheet A (student only)**

Alabama	3%	Missouri	3%
Alaska	0%	Montana	5%
American Samoa	2%	Nebraska	4%
Arizona	3%	Nevada	0%
Arkansas	4%	New Hampshire	1%
California	5%	New Jersey	3%
Canada	2%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Northern Mariana Islands	2%
Federated States of Micronesia	2%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Guam	2%	Palau	2%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Marshall Islands	2%	Virgin Islands	2%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Mexico	2%	West Virginia	4%
Michigan	4%	Wisconsin	5%
Minnesota	6%	Wyoming	0%
Mississippi	3%	Blank or Invalid State	2%
		OTHER	2%

Multiply the total income of student (Worksheet A, line 35) by the appropriate rate from the table above to get the "state and other tax allowance" (line 37 of Regular Worksheet A). Use the student's *state of legal residence* (FAFSA/SAR #24). If this item is blank or invalid, use the *state* in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' *state of legal residence* (FAFSA/SAR #66). If all three items are blank or invalid, use the rate for a blank or invalid state above.

2002-03 EFC FORMULA **B**: INDEPENDENT STUDENT Without Dependent(s) Other Than A Spouse

REGULAR
WORKSHEET
Page 1

B

STUDENT/SPOUSE INCOME IN 2001	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
2. a. Student's income earned from work (FAFSA/SAR #42)	
2. b. Spouse's income earned from work (FAFSA/SAR #43) +	
Total student/spouse income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #44)	
• Total from FAFSA Worksheet B (FAFSA/SAR #45) +	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2001 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table B1. If negative, enter zero.) +	
10. Student's Social Security tax (Table B2) +	
11. Spouse's Social Security tax (Table B2) +	
12. Income protection allowance:	
• \$5,300 for unmarried or separated student;	
• \$5,300 for married student if both student & spouse are enrolled at least 1/2 time;	
• \$8,470 for married student if only the student is enrolled at least 1/2 time. +	
13. Employment expense allowance:	
• If student is not married or is separated, the allowance is zero.	
• If student is married but only one person is working (the student or spouse), the allowance is zero.	
• If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes, or \$3,000, whichever is less. +	
14. TOTAL ALLOWANCES =	

CONTRIBUTION FROM AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) =	
16. Assessment rate X	.50
17. CONTRIBUTION FROM AI =	
May be a negative number.	

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
18. Net worth of investments* (FAFSA/SAR #47) If negative, enter zero.	
19. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	
20. Adjusted net worth of business/farm (Calculate using Table B3.) +	
21. Cash, savings, & checking (FAFSA/SAR #49) +	
22. Net worth (sum of lines 18, 20, and 21) =	
23. Asset protection allowance (Table B4) -	
24. Discretionary net worth (line 22 minus line 23) =	
25. Asset conversion rate X	.35
26. CONTRIBUTION FROM ASSETS =	
If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
Contribution from AI (from line 17) May be a negative number.	
Contribution from assets (from line 26) +	
27. Contribution from AI and assets =	
28. Number in college in 2002-03 (FAFSA/SAR #85) ÷	
29. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (If negative, enter zero.)** =	

*Do not include the student's home.

**To calculate the EFC for less than 9-month enrollment, see the next page. If the student is enrolled for more than 9 months, use the 9-month EFC (line 29 above).

NOTE: Use this additional page to prorate the EFC only if the student will be enrolled for less than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford/Ford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less Than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 29)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	X	
Expected Family Contribution for less than 9-month enrollment*	=	

*Substitute the student's EFC for less than 9-month enrollment in place of the EFC for the standard 9-month enrollment (Worksheet B, line 29).

2002-03 EFC FORMULA **B**: INDEPENDENT STUDENT Without Dependent(s) Other Than A Spouse

SIMPLIFIED
WORKSHEET
Page 1

B

STUDENT/SPOUSE INCOME IN 2001	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
2. a. Student's income earned from work (FAFSA/SAR #42)	
2. b. Spouse's income earned from work (FAFSA/SAR #43) +	
Total student/spouse income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #44)	
• Total from FAFSA Worksheet B (FAFSA/SAR #45) +	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2001 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table B1. If negative, enter zero.) +	
10. Student's Social Security tax (Table B2) +	
11. Spouse's Social Security tax (Table B2) +	
12. Income protection allowance:	
• \$5,300 for unmarried or separated student;	
• \$5,300 for married student if both student & spouse are enrolled at least 1/2 time;	
• \$8,470 for married student if only the student is enrolled at least 1/2 time. +	
13. Employment expense allowance:	
• If student is not married or is separated, the allowance is zero.	
• If student is married but only one person is working (the student or spouse), the allowance is zero.	
• If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes, or \$3,000, whichever is less. +	
14. TOTAL ALLOWANCES =	

CONTRIBUTION FROM AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) =	
16. Assessment rate X	.50
17. CONTRIBUTION FROM AI =	
May be a negative number.	

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
18. Net worth of investments* (FAFSA/SAR #47) If negative, enter zero.	
19. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	
20. Adjusted net worth of business/farm (Calculate using Table B3.) +	
21. Cash, savings, & checking (FAFSA/SAR #49) +	
22. Net worth (sum of lines 18, 20, and 21) =	
23. Asset protection allowance (Table B4) -	
24. Discretionary net worth (line 22 minus line 23) =	
25. Asset conversion rate X	.35
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
Contribution from AI (from line 17) May be a negative number.	
Contribution from assets (from line 26) +	
27. Contribution from AI and assets =	
28. Number in college in 2002-03 (FAFSA/SAR #85) ÷	
29. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (If negative, enter zero.)** =	

*Do not include the student's home.

**To calculate the EFC for less than 9-month enrollment, see the next page. If the student is enrolled for more than 9 months, use the 9-month EFC (line 29 above).

NOTE: Do NOT complete the shaded areas; asset information is not required in the simplified formula.

NOTE: Use this additional page to prorate the EFC only if the student will be enrolled for less than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford/Ford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less Than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 29)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	X	
Expected Family Contribution for less than 9-month enrollment*	=	

*Substitute the student's EFC for less than 9-month enrollment in place of the EFC for the standard 9-month enrollment (Worksheet B, line 29).

Table B1: State and Other Tax Allowance

Alabama	3%	Missouri	3%
Alaska	0%	Montana	5%
American Samoa	2%	Nebraska	4%
Arizona	3%	Nevada	0%
Arkansas	4%	New Hampshire	1%
California	5%	New Jersey	3%
Canada	2%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Northern Mariana Islands	2%
Federated States of Micronesia	2%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Guam	2%	Palau	2%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Marshall Islands	2%	Virgin Islands	2%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Mexico	2%	West Virginia	4%
Michigan	4%	Wisconsin	5%
Minnesota	6%	Wyoming	0%
Mississippi	3%	Blank or Invalid State	2%
		OTHER	2%

Multiply the total income of student and spouse (EFC Formula Worksheet B, line 7) by the appropriate rate from the table above to get the "state and other tax allowance" (line 9 of Worksheet B). Use the student's *state of legal residence* (FAFSA/SAR #24) reported on the FAFSA. If this item is blank or invalid, use the *state* in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work*	Social Security Tax
\$0 - \$80,400	7.65% of income
\$80,401 or greater	\$6,150.60 + 1.45% of amount over \$80,400

*Student's 2001 income earned from work is FAFSA/SAR #42.
Spouse's 2001 income earned from work is FAFSA/SAR #43.
Social Security tax will never be less than zero.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$95,000	40% of net worth of business/farm
\$95,001 to \$285,000	\$ 38,000 + 50% of excess over \$95,000
\$285,001 to \$470,000	\$133,000 + 60% of excess over \$285,000
\$470,001 or more	\$244,000 + 100% of excess over \$470,000

Table B4
Asset Protection Allowance

Age of student as of 12/31/02*	Allowance for—	
	Married Student	Unmarried Student
25 or less..	0	0
26	2,300	1,100
27	4,600	2,200
28	6,900	3,300
29	9,100	4,500
30	11,400	5,600
31	13,700	6,700
32	16,000	7,800
33	18,300	8,900
34	20,600	10,000
35	22,900	11,100
36	25,200	12,200
37	27,400	13,400
38	29,700	14,500
39	32,000	15,600
40	34,300	16,700
41	35,200	17,000
42	36,100	17,400
43	36,700	17,800
44	37,700	18,200
45	38,600	18,600
46	39,600	18,900
47	40,600	19,400
48	41,900	19,900
49	42,900	20,300
50	44,000	20,800
51	45,100	21,200
52	46,500	21,700
53	47,600	22,400
54	49,100	22,900
55	50,300	23,400
56	51,800	24,000
57	53,300	24,700
58	54,900	25,300
59	56,600	26,000
60	58,300	26,600
61	60,000	27,400
62	62,000	28,100
63	63,800	28,900
64	66,000	29,700
65 or more	68,200	30,700

*Determine student's age as of 12/31/02 from student's date of birth (FAFSA/SAR #9)

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**2002-03 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse**

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Page 1

C

STUDENT/SPOUSE INCOME IN 2001	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
2. a. Student's income earned from work (FAFSA/SAR #42)	
2. b. Spouse's income earned from work (FAFSA/SAR #43) +	
Total student/spouse income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #44)	
• Total from FAFSA Worksheet B (FAFSA/SAR #45) +	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2001 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table C1. If negative, enter zero.) +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance:	
• Student and spouse both working: 35% of the lesser of the earned incomes, or \$3,000, whichever is less	
• One-parent families: 35% of earned income, or \$3,000, whichever is less	
• Student or spouse working (not both): zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
16. Net worth of investments** (FAFSA/SAR #47) If negative, enter zero.	
17. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	
18. Adjusted net worth of business/farm (Calculate using Table C4.) +	
19. Cash, savings, & checking (FAFSA/SAR #49) +	
20. Net worth (sum of lines 16, 18, and 19) =	
21. Asset protection allowance (Table C5) -	
22. Discretionary net worth (line 20 minus line 21) =	
23. Asset conversion rate X	.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
Available Income (AI) (from line 15)	
Contribution from assets (from line 24) +	
25. Adjusted Available Income (AAI) May be a negative number. =	
26. Total contribution from AAI (Calculate using Table C6; if negative, enter zero.)	
27. Number in college in 2002-03 (FAFSA/SAR #85) ÷	
28. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (If negative, enter zero.)***	

**Do not include the student's home.

***To calculate the EFC for less than 9-month enrollment, see the next page. If the student is enrolled for more than 9 months, use the 9-month EFC (line 28 above).

*STOP HERE if **both** of the following are true: line 3 is \$13,000 or less, **and** the student and spouse are eligible to file a 2001 IRS Form 1040A or 1040EZ (they are not required to file a 2001 Form 1040), or they are not required to file any income tax return. Under these circumstances, the student's EFC is zero.

NOTE: Use this additional page to prorate the EFC only if the student will be enrolled for less than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford/Ford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less Than 9 Months

Expected Family Contribution (standard contribution for 9-month enrollment, from line 28)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	X	
Expected Family Contribution for less than 9-month enrollment*	=	

*Substitute the student's EFC for less than 9-month enrollment in place of the EFC for the standard 9-month enrollment (Worksheet B, line 28).

2002-03 EFC FORMULA **C : INDEPENDENT STUDENT**
With Dependent(s) Other Than A Spouse

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STUDENT/SPOUSE INCOME IN 2001	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #39) (If negative, enter zero.)	
2. a. Student's income earned from work (FAFSA/SAR #42)	
2. b. Spouse's income earned from work (FAFSA/SAR #43) +	
Total student/spouse income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Untaxed income and benefits:	
• Total from FAFSA Worksheet A (FAFSA/SAR #44)	
• Total from FAFSA Worksheet B (FAFSA/SAR #45) +	
Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total from FAFSA Worksheet C (FAFSA/SAR #46) -	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2001 U.S. income tax paid (FAFSA/SAR #40) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table C1. If negative, enter zero.) +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance:	
• Student and spouse both working: 35% of the lesser of the earned incomes, or \$3,000, whichever is less	
• One-parent families: 35% of earned income, or \$3,000, whichever is less	
• Student or spouse working (not both): zero +	
14. TOTAL ALLOWANCES =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

*STOP HERE if **both** of the following are true: line 3 is \$13,000 or less, **and** the student and spouse are eligible to file a 2001 IRS Form 1040A or 1040EZ (they are not required to file a 2001 Form 1040), or they are not required to file any income tax return. Under these circumstances, the student's EFC is zero.

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
16. Net worth of investments** (FAFSA/SAR #47) If negative, enter zero.	
17. Net worth of business and/or investment farm (FAFSA/SAR #48) If negative, enter zero.	
18. Adjusted net worth of business/farm (Calculate using Table C4.) +	
19. Cash, savings, & checking (FAFSA/SAR #49) +	
20. Net worth (sum of lines 16, 18, and 19) =	
21. Asset protection allowance (Table C5) -	
22. Discretionary net worth (line 20 minus line 21) =	
23. Asset conversion rate X	12
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
Available income (AI) (from line 15)	
Contribution from assets (from line 24) +	
25. Adjusted available income (AAI) May be a negative number. =	
26. Total contribution from AAI (Calculate using Table C6; if negative, enter zero.)	
27. Number in college in 2002-03 (FAFSA/SAR #85) ÷	
28. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (If negative, enter zero.)***	

**Do not include the student's home.

***To calculate the EFC for less than 9-month enrollment, see the next page. If the student is enrolled for more than 9 months, use the 9-month EFC (line 28 above).

NOTE: Do NOT complete the shaded areas; asset information is not required in the simplified formula.

NOTE: Use this additional page to prorate the EFC only if the student will be enrolled for less than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford/Ford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

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Calculation of Expected Family Contribution for a Student Enrolled for Less Than 9 Months

Expected Family Contribution (standard contribution for 9-month enrollment, from line 28)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for less than 9-month enrollment*	=	

*Substitute the student's EFC for less than 9-month enrollment in place of the EFC for the standard 9-month enrollment (Worksheet B, line 28).

Table C1: State and Other Tax Allowance

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	\$0-14,999	\$15,000 or more		\$0-14,999	\$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of			Northern Mariana		
Columbia	10%	9%	Islands	4%	3%
Federated States			Ohio	8%	7%
of Micronesia	4%	3%	Oklahoma	6%	5%
Florida	4%	3%	Oregon	10%	9%
Georgia	7%	6%	Palau	4%	3%
Guam	4%	3%	Pennsylvania	7%	6%
Hawaii	8%	7%	Puerto Rico	4%	3%
Idaho	7%	6%	Rhode Island	9%	8%
Illinois	6%	5%	South Carolina	8%	7%
Indiana	6%	5%	South Dakota	4%	3%
Iowa	8%	7%	Tennessee	3%	2%
Kansas	7%	6%	Texas	3%	2%
Kentucky	7%	6%	Utah	8%	7%
Louisiana	4%	3%	Vermont	8%	7%
Maine	9%	8%	Virgin Islands	4%	3%
Marshall Islands	4%	3%	Virginia	8%	7%
Maryland	9%	8%	Washington	4%	3%
Massachusetts	9%	8%	West Virginia	6%	5%
Mexico	4%	3%	Wisconsin	10%	9%
Michigan	9%	8%	Wyoming	3%	2%
Minnesota	9%	8%	Blank or Invalid		
Mississippi	5%	4%	State	4%	3%
			OTHER	4%	3%

Multiply the total income of student and spouse (from EFC Formula Worksheet C, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's *state of legal residence* (FAFSA/SAR #24) reported on the FAFSA. If this item is blank or invalid, use the *state* in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work*	Social Security Tax
\$0 - \$80,400	7.65% of income
\$80,401 or greater	\$6,150.60 + 1.45% of amount over \$80,400

*Student's 2001 income earned from work is FAFSA/SAR #42.

Spouse's 2001 income earned from work is FAFSA/SAR #43.

Social Security tax will never be less than zero.

Table C3: Income Protection Allowance

Number in student's household, including student (FAFSA/SAR #84)	Number of college students in household (FAFSA/SAR #85)				
	1	2	3	4	5
2	\$13,210	\$10,950	————	————	————
3	16,450	14,210	\$11,940	————	————
4	20,320	18,060	15,810	\$13,550	————
5	23,980	21,720	19,470	17,210	\$14,960
6	28,050	25,790	23,540	21,280	19,030

NOTE: For each additional family member, add \$3,170.
For each additional college student, subtract \$2,250.

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$95,000	40% of net worth of business/farm
\$95,001 to \$285,000	\$ 38,000 + 50% of excess over \$95,000
\$285,001 to \$470,000	\$133,000 + 60% of excess over \$285,000
\$470,001 or more	\$244,000 + 100% of excess over \$470,000

Table C5: Asset Protection Allowance

Age of student as of 12/31/02*	Allowance for—		Age of student as of 12/31/02*	Allowance for—	
	Married Student	Unmarried Student		Married Student	Unmarried Student
25 or less..	0	0	45	38,600	18,600
26	2,300	1,100	46	39,600	18,900
27	4,600	2,200	47	40,600	19,400
28	6,900	3,300	48	41,900	19,900
29	9,100	4,500	49	42,900	20,300
30	11,400	5,600	50	44,000	20,800
31	13,700	6,700	51	45,100	21,200
32	16,000	7,800	52	46,500	21,700
33	18,300	8,900	53	47,600	22,400
34	20,600	10,000	54	49,100	22,900
35	22,900	11,100	55	50,300	23,400
36	25,200	12,200	56	51,800	24,000
37	27,400	13,400	57	53,300	24,700
38	29,700	14,500	58	54,900	25,300
39	32,000	15,600	59	56,600	26,000
40	34,300	16,700	60	58,300	26,600
41	35,200	17,000	61	60,000	27,400
42	36,100	17,400	62	62,000	28,100
43	36,700	17,800	63	63,800	28,900
44	37,700	18,200	64	66,000	29,700
			65 or more	68,200	30,700

*Determine student's age as of 12/31/02 from student's date of birth (FAFSA/SAR #9)

Table C6: Contribution From AAI

If student's AAI is—	The student's contribution from AAI is—
-\$3,410 or less	-\$750
-\$3,409 to \$11,800	22% of AAI
\$11,801 to \$14,800	\$2,596 + 25% of AAI over \$11,800
\$14,801 to \$17,800	\$3,346 + 29% of AAI over \$14,800
\$17,801 to \$20,800	\$4,216 + 34% of AAI over \$17,800
\$20,801 to \$23,900	\$5,236 + 40% of AAI over \$20,800
\$23,901 or more	\$6,476 + 47% of AAI over \$23,900